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1. (1a) SOVIET ECONOMIC PENETRATION: Peking announced (Apr. 24) that Soviet experts at the Kuchiu tin mines, Yunnan, directing prospecting teams over an area of 800 square miles, were making plans to develop newly discovered veins of gold, copper, iron, zinc, tungsten, and molybdenum.

2. (1b) SINO-SOVIET FRIENDSHIP: Mukden (Apr. 24) announced the opening of a pictorial exhibit at the Sino-Soviet Hall depicting the life and works of Stalin. Peking reported in numeral code (Apr. 22) that a pictorial exhibit at the Huaihai Road Hall in Shanghai was held under auspices of the Sino-Soviet Friendship Association. Peking in numeral code (Apr. 26) quoted women's leader Lu Tsui as explaining that the "complete liberation" of Soviet women had guided Chinese women's progress, while the successful Chinese struggle would also benefit Soviet women.

Peking (Apr. 22) reported that local newspapers were featuring Lenin's birthday anniversary with Russian pictures and articles, while local theaters showed Lenin films. Canton (Apr. 22) announced a local Lenin and Stalin pictorial exhibit. Kunming said (Apr. 22) that the local SSFA celebrated the Lenin anniversary with a symposium.

3. (1c) SOVIET SUPERIORITY: Peking announced in numeral code (Apr. 21) that 157 teachers had completed a 20-day course in the reading of Soviet books at Wuhan University to attain a mastery of Soviet technical theories. Peking reported (Apr. 22) that the Tientsin Technical Institute would send 100 students to study progressive Soviet methods in the Yumen oilfields. Radio Shanghai's Russian-language classes have enrolled 7,500 students, exceeding the total of all previous classes.

Peking in numeral code (Apr. 22) gave a PRAVDA account of cardiac treatment progress, and reported that Rumanian, Polish, and Bulgarian workers were studying Stalin's writings. Peking boasted (Apr. 23-24) that Mao's "Second Edition" and Kuo Mo-jo's works had been published in Russian.

Peking in numeral code (Apr. 20) reported a Soviet expert's speech at the Fushun drillers' conference. Mukden announced (Apr. 21) that Soviet experts had examined the Fushun Colliery open-pit mine and pronounced it successful. Peking stated in numeral code (Apr. 26) that Soviet experts at the Peking Shihchingshan Power Plant had installed ash containers to permit use of low-grade coal.

Peking announced in numeral code (Apr. 22) that Soviet experts were installing a concrete pouring machine at the "Ankang" steel sheet mill, unused last year but now employing 3,000 persons. Peking added (Apr. 26) that 40 Chinese who studied seamless steel tube making in Russia had returned to "Ankang" to operate a new plant.

Peking stated in numeral code (Apr. 21) that Chungking's steel mill No. 102 saved 350 million yuan in three months through Soviet designing and cost estimating methods, and (Apr. 26) quoted the Chungking HSIN HUA JIH PAO as saying that Russian wheat and turnip strains had been successful on the Sikang-Tibet plateau.

Peking claimed in numeral code (Apr. 22) that the Tsitsihar Farm Station produced cold-resistant apple trees by adopting Michurin theories; that 100 men and women had learned Russian methods to make seamless steel tubing at "Ankang"; and, that 200 Northeast Native Products Company workers, using Russian methods, had built a fruit and meat warehouse of ice.

4. (2a) WAR BURDENS: Mukden (Apr. 20) reported that 3,700 women are employed at "Ankang," including 200 assistant engineers and 400 trainees, half of whom would work in the new steel tube mill.

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Peking reported in numeral code (Apr. 22) that Hsinghua Battery Shop workers, in Canton, donated their share of factory profits to buy a plane for the Chinese People's Volunteers in Korea. Peking reported (Apr. 25) that Shanghai workers were making large quantities of winter woolen clothing for the CPV troops.

5. (3a) COUNTERREVOLUTIONARY INDICATIONS: Shanghai (Apr. 24) announced the arrest of counterrevolutionary elements who were attempting sabotage of gasoline tanks and assassination of government personnel, and stated: "We should realize that American-backed Chiang Kai-shek agents are utilizing every opportunity to conduct organized espionage activities among our Government and People's organizations in an attempt to cause unrest in the Fatherland." Previous arrest of Chang Te-min and 26 other "Chiating Society" members for inciting rebellion in the Taihu area, and of other rebels, also was announced.

Shanghai (Apr. 26) reported the capture of elements of the "bogus Ninth Section of the Shanghai Branch of the National Revolutionary Committee of China," infiltrating into Shanghai from Yuyao, Chekiang, and of Taiwan agents who came from Hong Kong last year. Peking in numeral code (Apr. 24) announced the promotion of 6,000 workers for RAAK and other activities, including suppression of counterrevolutionaries.

Peking announced in numeral code (Apr. 26) that Kwangtung Province had made "fishermen's hsien" of Lietung and Chuhai, each with 100,000 people, and created Jaoping, Lufeng, and Yangchiang "fishermen's chu," in order to "guide fishermen and promote marine production."

6. (3a) BUREAUCRATIC WEAKNESSES: Peking in numeral code (Apr. 21) reported a meeting of State Mine and Factory cadres that exposed waste and conservatism. Hangchow stated (Apr. 23) that the Chekiang People's Supervisory Committee met to discuss the antibureaucracy campaign, especially the handling of people's letters. Tsitsihar (Apr. 21) charged Heilungchiang factory cadres with making impractical plans, increasing output without regard for quality, and failing to reach quotas. Shanghai admitted (Apr. 21) that 10 of 22 local factories failed to reach First-Quarter quotas, and added (Apr. 23) that nine local cotton mills failed to fulfill quality specifications, largely because of irresponsibility.

Sian complained (Apr. 20) that Holan, Chungning, and Wuchung hsien, Ninghsia, cadres lacked political consciousness. One Party cadre "fabricated five candidates" in his Party organization report. Chungking (Apr. 21) reported that Southwest factories and mines were producing inferior products, overstocking, and operating at high costs. Chungking added (Apr. 24) that inspection of 24 construction sites disclosed waste, shoddy work, and little consideration for cost. Sand that could have been obtained locally was shipped 100 li.

7. (3a) BASIC CONSTRUCTION: Wuhan announced (Apr. 22) the shipment of materials to Nanchang, Kiangsien for a large cotton mill, housing facilities, and schools. Peking in numeral code (Apr. 21) reported Hunan basic construction plans for a textile mill, power plants, an electric wire factory, and a lathe factory. Peking stated (Apr. 26) that China's 188 middle-level technical schools would be reorganized, as many were developing aimlessly, did not have good teachers, and gave insufficient study to progressive Soviet methods.

Peking said in numeral code (Apr. 20) that the Labor Ministry had rescinded the order for labor insurance "on construction projects unable to implement the regulation." Peking reported in numeral code (Apr. 21) that five Central-South concerns turned back 3,000 tons of cement and more than 25 billion yuan they were unable to use.

8. (3a) INDOCTRINATION PROGRAM: Peking (Apr. 21) reported that Hsinhua bookstores were handling a Chinese translation of Marx's "Das Kapital." Peking announced in numeral code (Apr. 22) that 1,600 Changchun College students and teachers had started evening studies of Marxism-Leninism and Mao's teachings; that Kiangsu had organized spare-time schools to train Marxist-Leninist teachers; and, that Northwest Normal School teachers were studying Soviet advanced educational methods.

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Peking in numeral code (Apr. 24) reported that Shanghai teachers were undergoing political and curricular studies, and (Apr. 25) outlined a cadre study course which includes works by Lenin, Stalin, Malenkov, and Molotov. Cadres must pass through regular grades, and be periodically examined. Chungking (Apr. 22) reported that Yunnan factories, under party leadership, were "training progressive elements."

9. (3e) AGRICULTURAL PROBLEMS: Peking announced (Apr. 23) that cooperatives were ordered to discontinue advance cotton purchase agreements, but to organize the buying and selling of cotton and "allay the fears of farmers." Fourth-Quarter contracts indicated that farmers were "selling cotton to store up food."

Peking reported (Apr. 24) that Chinese and Czech officials gathered at Changkuochuang, near Peking, to celebrate arrival of farm equipment sent by a Czech cooperative. Kwangtung farmers, according to Canton (Apr. 21) were starting production "after reinspection of land reform."

Chungking stated (Apr. 20) that Lungchiang and Chiangchin hsien, Szechwan, cadres were ordered to stress high individual production and cease helping only a few highly productive mutual aid teams and cooperatives, "overlooking the majority of peasants." Chungking said (Apr. 25) that "spring famine had not yet been stemmed." Cadres must overcome their complacency and promote "self relief." Collectors of the summer agricultural tax were told to allow exemptions to famine sufferers, and never to make the tax more than 25 percent. Nanking announced (Apr. 22) that Suining, Kuan Yun, Huaiyin, Suchien, Peih sien, and Lienshui hsien, Kiangsu, cadres were ordered to assist peasants whose crops were damaged by cold.

10. (4) BORDER MINORITIES: Peking announced in numeral code (Apr. 23) that comfort teams left Kunming to call on Yunnan border troops and minority groups, with letters urging them to smash U.S. imperialist and Chiang-bandit aggression plots. Peking charged (Apr. 25) that Kuomintang bandits at the Burma-China border were supplied by Americans. Kunming stated (Apr. 20) that Iliang Hsien, Yunnan, peasants increased rice production "after resolving the question of water rights."

Peking said in numeral code (Apr. 21) that 6,700 road workers had volunteered for Sikang-Tibet highway construction, and that 100 technicians would leave for Lhasa in April. Chungking announced (Apr. 20) that official documents of the Tibetan Autonomous Area in Sikang now were written in both Chinese and Tibetan.

Peking reported (Apr. 20) that Sinkiang's Hungyen Reservoir, which is to irrigate 200,000 mou, would open its gates on May Day. Tihua said (Apr. 21) that Sinkiang Field Control Offices had been established to combat July floods. Peking announced in numeral code (Apr. 26) that one Tibetan, one Uighur, and three Mohammedan Autonomous Areas would be established in Kansu.

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SUMMARY

Far removed from Sinkiang, where the Russians admittedly have special exploitation rights, Soviet experts now make plans for developing newly discovered Yunnan mineral deposits, while Soviet-controlled "Ankang" installs Russian equipment and USSR-trained technicians in a new seamless steel tubing factory. New efforts of Russian advisers to utilize low-grade coal underscore the fact China's industry and war potential must be developed without material aid from the USSR. Russian-language teaching is stepped up, especially among teachers and cadres, who must study Soviet documents, undergo extensive indoctrination courses, install Russian educational procedures, and reorganize technical schools along Soviet lines. Chinese leaders maintain an illusion of self-determination by pointing out that works of Mao and Kuo Mo-jo are being translated into Russian.

"Ankang" utilizes thousands of women workers, some being trained as technicians. Reports of woolen uniforms being made for the Chinese People's Volunteers and new moves to extract contributions from workers to finance the Korean war suggest that an armistice in Korea may not be near.

Arrests of counterrevolutionaries in Shanghai reveal numerous other arrests made months ago. The naming of two counterrevolutionary organizations and warnings against espionage suggest a widespread underground effort. Comfort units continue to be sent to the Burma frontier to bolster troops and win over minority groups, amid direct charges that America supplies the Chiang troops in Burma. New border protection measures are also indicated by the establishment of so-called "fishermen's hsien" along the Kwangtung coast, especially in view of recent claims that these fishermen receive great benefits from People's Liberation Army troops.

Continuing peasant dissatisfaction is apparent from reports that Kwangtung farmers had doubts about land reform; that water rights were disputed in Yunnan; that agricultural tax collectors are warned to use caution; and, that Southwest cadres still are "guilty" of favoring mutual aid teams and cooperatives. Orders to cooperatives to abandon advance cotton purchase contracts, but "allay the fears" of farmers suggest that rigid controls over cotton acreage are considered essential.

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